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Buy, Sell and Chatter: A Case Analysis of a Lisbon Flea Market

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This thesis aims explore the sociocultural as well as economic significance of the modern-day flea market, as a form of alternative marketplace system. More specifically, the main goal of the research is to determine the motivation for participation in flea markets of different participants, from vendors to consumers, using an interactionist perspective. By studying these groups in details, I seek to explore the embeddedness of social aspects in economic activity and vice versa. The basic assumption is to put aside the previous notions of the flea market as a second-order system with implied inferiority, and to explore the potential of the flea market to both challenge and complement more formal marketplace systems, by comparing and contrasting the flea market with market venues that belong to the formal sector. Feira da Ladra in Lisbon, Portugal, the oldest a hugely successful flea market in Europe, was chosen to be the research site, where its economic participants were studied in details in various exchanges, using naturalistic observations, semi-structured interviews and a sociocultural perspective.

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1. Introduction

This thesis is about flea markets. It aims to explore the sociocultural as well as economic significance of the modern-day flea market, as a form of alternative marketplace system. More specifically, the main goal of the research is to determine the motivation for participation in flea markets of different participants, from vendors to consumers, using an interactionist perspective. By studying these groups in details, I seek to explore the embeddedness of social aspects in economic activity and vice versa. The basic assumption is to put aside the previous notions of the flea market as a second-order system with implied inferiority, and to explore the potential of the flea market to both challenge and complement more formal marketplace systems, by comparing and contrasting the flea market with market venues that belong to the formal sector. Feira da Ladra in Lisbon, Portugal, the oldest a hugely successful flea market in Europe, was chosen to be the research site, where its economic participants were studied in details in various exchanges, using naturalistic observations, semi-structured interviews and a sociocultural perspective.

2. Motivation for research

2.1. Flea Markets and the Growth of the Informal Economy

In postmodern society, flea markets may be considered as pre-modern, archaic, a marketplace that survives only on the fringes of the formal economy that is dominated by shopping malls and commercial outlets. However, it has been observed in both developing and developed economies that flea markets as well as other informal marketplaces successfully operate with characteristics of efficiency and have established their own structure of cooperation, reciprocity and social networks that are not common in the formal economy. These characteristics are representative of the informal economy, which employs 1.8 billion of the world's workers and aggregately makes up the largest economy in the world (Neuwirth, 2012). More and more global companies,

including Procter & Gamble, MTN, have started acknowledging from the significance and success of the informal economy, and applying lessons in their global strategies, from product distribution, promotion to product packaging (Neuwirth, 2012). The flea market success story, however, has not fully been appreciated by contemporary research, even though emerging trends in consumerism, such as anti-materialism and social activism (Hicks, 2004, Coughland, 2009) signals the ever increasing potentials of this alternative market. These contemporary trends lead me to believe that informal marketplace is no longer a story of the underdeveloped world, and that even in highly developed and capitalistic societies, this type of marketplace will continue to serve specific needs where the primary economy falls short. I am curious, therefore, to find out exactly what the attractions of a flea market are to its social and economic participants (shoppers, vendors and regulators), while comparing and contrasting it with other formal marketplaces. In this way, lessons about alternative entrepreneurial and consumption activities can later be drawn and discussed to improve current conventional marketplaces in formal retailing.

2.2. The Inter-linkable Relationship between Social and Economic Activities

Classical and neo-classical economics operates under an atomized, undersocialized conception of human action (Granovetter, 1985). These theories disallow any impact of social relations on production, distribution and consumption. Rational choice arguments are narrowly understood as buyers and consumers coldly calculate decisions that focus on maximizing profits or utility. The rigidity of these thoughts clearly does not reflect the reality of a flea market, where social considerations play an important role in economic decisions for both buyers and sellers.

Entrepreneurial and consumption decision making is more often than not influenced not by utility but also by social considerations, between different actors: consumer-consumer, seller-seller, and consumer-seller. An analysis that takes into the social setting of economic decisions is

thus needed to understand the flea market phenomenon. Inspired by economic sociology, I am interested in explaining the success of the flea market and the high involvement level of its economic actors through the relationships between these economic actors in their various activities. The flea market, a lively mixture of festive and economic sceneries (Sherry, 1990), provides an interesting venue for me to understand the extent to which social factors are embedded in economic activities, and how economic decisions are influenced by the social settings where they are made.

2.3. Purpose statement

This thesis builds upon the emerging research body into the activity of flea markets. It aims to develop an understanding of the social and economic workings of a dynamic marketplace, one that belongs to the informal economy that is worth 10 trillion dollars annually, and that contributes to 1.8 billion jobs around the world (Neuwirth, 2012). While it is common for researchers to attribute the success of flea markets to its ability to cater for the bottom-of-the-pyramid consumers, especially so in times of economic crisis, current trends in consumerism have suggested that the low-scale, price-related factors alone cannot fully explain the attraction of a flea market. This thesis thus seeks to further consumer research on flea markets, by exploring the motivation and decision making process of consumers in shopping at flea markets, thus establishing viable alternatives to contemporary consumption patterns in formal retailing. Perspectives from sellers and regulators are also researched to build a broader and interactional picture of flea market entrepreneurial activity. By exploring the embeddedness of social structures in economic decisions and vice versa, this research also aims to explain the workings and attraction of a flea market to its economic actors along these two dimensions.

3. Flea Market Definition and Literature Review

3.1. What is a Flea Market?

To aid with classification of different markets and clarify the subject of my research, a general definition of flea market is provided, especially because the term “flea market” has changed in meaning over time and still differs from place to place. Most generally, a flea market has traditionally been defined as a building or open space where vendors sell a wide variety of goods from open stalls. Exchanges are described as informal due to the lack of regulations and the cash-heavy transactions. While most flea markets match this general definition, flea markets nowadays come in many shapes and settings, offer a wide range of different products with different target groups of customers, and owned and operated by various types of organizations, not just city governments. A visit to different markets in Lisbon, for example, from Feira da Ladra, to Avenida, Belem and Alges, makes it obvious that different flea markets can be set up in certain ways to attract certain target consumers (Belem is highly set up for a large foreign tourists segment, Alges for locals, while Feira da Ladra enjoys a balanced mixture of both).

By definition, what distinguishes flea markets from other types of related retail activity are the following characteristics:

Firstly, the retailing environment in flea markets is usually a place, open or enclosed, where people interact easily, and a setting where other community activities take place. Market activities thus usually have an impact on the community the market is situated in.

Secondly, flea markets are made up of locally owned, independent businesses operated by their owners, unlike the ubiquitous franchises that dominate formal retailing today. This helps account for the local flavor of flea markets and the uniqueness of the shopping experience. Flea markets

consciously seek out local entrepreneurs and businesses and therefore offer an alternative to common retail practices.

Last but not least, flea markets often embrace used items of different origins, handicraft, and antique items and often exclude mass-produced merchandise. In this way the product ranges at flea markets often do not directly overlap with what is generally offered in formal retailing.

3.2. Flea Market Research: An overview

3.2.1. Informal Marketplaces and Market Cohesion based on Social Structure

While research about flea markets has been surprisingly limited, there has recently emerged a considerable body of research on the informal economy, which embodies the Flea Market and thus offers insights into its workings. The main reason for this emergence is to question the power of classical economic theories for predicting economic action, because these theories disregard non-economic aspects such as networks, norms, institutions, history and culture, deeming these factors as inhibitors of systematic argument (Klein et.al, 1981, Montgomery, 1991, Ferrary, 2003, Granovetter, 1985, 2005). However, phenomena like the flea market where social activity is inherent in economic activity provide examples of how “antistructure” (Sherry, 1990) and lack of order can be an efficient alternative. Roberts (1994) argued that flea markets and other informal marketplaces, without central regulation that typically characterizes the formal economy, provide a “flexible” form of market organization that can rapidly respond to market demand. One consequence is moving away from the vertical integration of firms and towards a loosely structured, horizontal linkage (Roberts, 1994). Belshaw (1965) contended that flea markets and other informal marketplaces achieved market cohesion through “exchanges of reciprocity, tradition, commitment and a sense of responsibility”, rather than institutional intervention. In fact, economists have recently paid a lot of attention to social networks and their

economic outcomes in light of limitations of neo-classical economic theories. These results were further supported by Granovetter (1989, 2009), who pointed out that social structure, affects economic outcomes by affecting the flow and the quality of information through personal information sources, by providing a system of reward and punishment, as well as by building trust and confidence among economic actors.

3.2.2. Entrepreneurship in informal marketplaces

Economic motives drive entrepreneurs to take part in economic activity, but do not fully explain attraction of participation in informal venues such as the flea market (Webb et.al, 2009, 2012). Economic and social considerations are often intertwined in the entrepreneur's decision in terms of what business they choose and grow (Webb, 2012). Incongruence between the formal and informal sector reinforces the entrepreneurial process in the informal economy on a macro level, facilitating opportunity exploitation especially for individuals that lack the opportunity to participate in the formal sector, such as those in emerging economies (Sine, Haveman, & Tolbert, 2005, Perry, 2007). On the other hand, on a micro level, collective identity theories might help explain the process (Aldrich & Fiol, 1986; Polletta & Jasper, 2001). Granovetter, 2005, argued that social structure affects many economic outcomes for the entrepreneurs, and it is these social factors that explained the persistence of family and ethnically oriented businesses in advanced economies. Webb, 2009, suggested that entrepreneurs may replace the rules of market transactions by associating with other actors in the informal economy. Networks with investors, suppliers, and customers are important in many settings. However, the formation of a collective identity by informal economy entrepreneurs is especially important to procure the inputs essential for venture growth (Webb, 2009). The case study of Feira da Ladra aims to

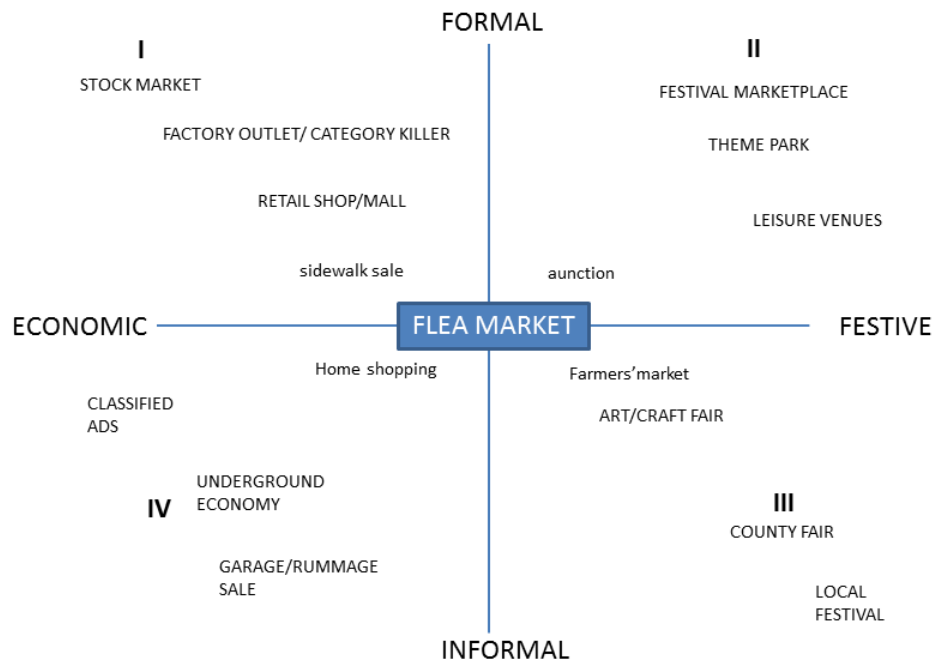
enrich research on entrepreneurship in the informal marketplaces by exploring sellers' activities, taking into account both economic and social motivation.

3.2.3. Flea Markets and Consumer Motivation

Research into consumer motivation to shop in flea markets and other informal marketplaces like garage sales, farmers' markets and swap meets have been largely ethnographic in nature. This is understandable given the complexities of interactions and social workings that ultimately help to enhance consumer value in these venues. Sherry (1990) painted a lively and detailed socioeconomic picture of an American Midwestern flea market after a 6-year research. His research provided elaborate details and nuances of multi-party interaction that enabled him to conclude that the flea market offers an ambience that is the "fusion of festivity with rationality", an "authentic experience with potential to reinvigorate the marketing system". To compare and contrast different marketplaces, he developed a useful framework that would be useful to make comparisons between the formal and informal marketplaces, as well as to incorporate the social dimension into their economic natures. Sherry (1990) envisioned the market structure and function as experienced by consumers to unfold along dimensions of two dialectics: formal-informal, economic-festive. These dialectics are embedded in all marketplace behavior, but those marketplaces nearest to the axes, namely sidewalk sales, farmers' markets, home shopping, auctions, and especially flea markets, exhibit unique characteristics that result from the tension between economic and social (festive) motivations. It is this palpable tension that creates the flea market experience for both dealers and consumers, and that I would like to explore in the case of Feira da Ladra.

Figure 1

MARKETPLACE STRUCTURE AND FUNCTION



A marketplace achieves differentiation from different market formats – shopping malls and street markets for example, through “the pursuit of singular orientations following the hedonic and utilitarian dimensions of shopping”. Both street markets and shopping malls influence consumer culture; however, their attributes to serve consumers and enhance consumer value are different (Rajagopa, 2010). Modern shopping malls are trying to get beyond the utilitarian purpose of shopping, and recent trends of the new consumers, such as anticonsumerism, signals that the flea market is no longer reserved for the price-sensitive consumers looking for cheap goods (Botsman and Rogers, 2010).

4. Methodology

4.1. Data collection and interpretation

Inspired by the Consumer Behaviour Odyssey, an in-depth qualitative investigation by a group of American researchers that has gone down in history for the use of ethnographic data collection and analysis procedures in consumer research (Belk 1987, Holbrook 1987, Sherry 1987, Walendorf 1987), I have chosen to spend the last 5 months to conduct a natural inquiry into Feira da Ladra, Lisbon, Portugal. The case study is explorative in nature and was carried out without any formed hypotheses in mind, despite the economic-social dimensions used as a framework that guides my research interest. With this qualitative methodology, I hope to generate findings that explicitly take into account the complexity of people's lives and experiences, rather than attempting to isolate elements of those experiences "holding everything else constant". Naturalistic observation also allowed me to find out more subtle events in the workings of the market that would not be possible using statistical methods like surveys. I also found that participants were less reserved about "chatting" with me, and were more eager to share information casually and naturally with this methodology. Semi-structured interviews were employed however, to add more structure to the findings. Questions are used to probe aspects such as profiles, attitudes and motivation, but depending on the answers I would engage in further questions. Interviews were carried out with both sellers, consumers and regulators. Questions included in the interviews can be found in the appendices.

A set of techniques for assessing the credibility of the qualitative findings were used, similar to those used by Belk, 1988, in his study of swap meets, and Sherry, 1990, in his study of an American Midwestern flea market, as well as general ethnographic guidelines. Data collection and interpretations derive primarily from my 5-month study of Feira da Ladra, although my

previous experience with flea markets in Asia and Europe helped me to make comparative judgments. Naturalistic observation coupled with directive and nondirective interviews were the main methods used. During the first phase of the study, observations were made passively from an outsider's perspective. Once the first phase allowed me to produce recurring questions regarding behavior patterns of vendors and shoppers, the inquiry moved to a more participant point of view. During this later phase, I shopped with shoppers, sold with sellers. Data was recorded weekly on market day, mainly with field notes and photographs, as other types of recordings proved to be intrusive to participants. Field notes were written with the help with a Portuguese friend, who helped me to translate Portuguese conversations where my command of the language failed to do so. Interviews were semi-structured and conducted mostly on-site, although some interviews were taken off-site in other settings (café's, homes, etc). Member checking, which involves sending the findings to two study participants to assess accuracy of the findings was also involved.

4.2. Research Site: Feira da Ladra

Feira da Ladra is chosen to be the subject of the case study that is central in this thesis. The market is chosen among a dozen of flea markets in Lisbon because of its representativeness, its unanimous popularity, its success, scale, and its significance in the country's cultural identity.

4.2.1. A short history

In the heart of the historic quarters of beautiful Lisbon, in Campo de Santa Clara lie the grounds on which Feira da Ladra is held twice every week. Although settling on this ground since 1882, the market dated back to almost 800 years ago, when the city itself was founded. It is popularly believed by locals to be the oldest flea market in Europe. With its long history, Feira da Ladra

retains many characteristics of a traditional and even archaic marketplace, and is believed to be part of Portuguese cultural identity. Since its beginnings the market has seen many generations of regulators, vendors and consumers, and has experienced a constant increase in size. Moreover, in contemporary consumerism, the market still proves to be a remarkable success. Within the last 10 years alone, the market has grown 3 times in the number of stalls, reaching 507 official “permanent” slots, not counting a considerably large number of temporary and unofficial vendors. According to long-term sellers, the growth of consumers has been significant as well, with consumer demographics increasingly diversified. Once an attraction only for the price-sensitive “bottom of the pyramid” consumers, Feira da Ladra has become melting spot of social activities for consumers from all walks of life: travellers, locals, students, engineers, thrifters, collectors, young and old.

4.2.2. Physical Characteristics

To better understand market activities in both economic and social dimensions, it is helpful to provide a context of how the venue is set up from both emic and etic perspectives. From a regulator’s perspective, the market is divided into 5 zones (see attached map), but casually the market structure is divided into “uphill” and “downhill” sections. There are 507 official slots assigned to sellers through random balloting. Once registered at the City municipal, the sellers have to get on a waiting list if there is no slot available. Monthly rent of the slot depends on the size and permanence of the slot. Once the slot is registered, however, the sellers gain flexibility of exchanging slots among each other. From an outsider perspective, there seems to be no clear organizational patterns in terms of merchandize, unlike in most malls or commercial complexes where products and shops are usually designated specific zones. Some buyers used the terms “maze-like” and “chaotic” to describe the market layout. This disorganized layout is intentional

in part, to contribute to the “treasure-hunt atmosphere” of the market. From a seller or an experienced-shopper’s perspective, however, there are several subtle patterns in the way the market is organized. Patterns may be formed thanks to social factors, for example. As slots can be exchanged, handicraft sellers tend to gather close to each other. Similarly, antique and collectible dealers also form clutters of stalls, to reinforce social interactions, as well as business communication. Ethnicity and cultural backgrounds of sellers also form patterns in the market layout. Portuguese sellers, who also tend to be more permanent sellers, form the majority of the “uphill” section of the market. They usually focus on a more specific line of products, such as collectible toys, antique furniture, or military themed collectibles, instead of selling miscellaneous merchandize. The “downhill” section sees a higher concentration of sellers of diverse ethnicities, mostly from Africa, South America, Eastern Europe and Asia. There are regular sellers who have sold at the market consistently for a long time, and just as many irregular, often unregistered, sellers who from time to time turn to the market for extra business opportunities, such as university students. The “Uphill” area is usually considered to be more desirable for sellers, as it offers more shade and shelter and thus is more resistant to weather changes. “Downhill” spots, on the other hand, are more open and exposed to customers who reach the site by public transport or by cars, although it is argued that this exposure does not make a significant difference, as consumers usually shop the whole market at least once.

Variety characterizes the merchandize sold at Feira da Ladra. Literally, every type of merchandize can be found at the market, from rummage clothings, antique jewelries, surgical equipment, laptop computers, tin toys, books, postcards, sunglasses, and many more. The only exceptions are bicycles, food and new merchandize. The regulators made a point of keeping the

market merchandize distinct from that of formal retailing, thus not diluting the positioning of the market in the mind of the consumers.

5. Case Narrative

5.1. Marketplace Behavior - Sellers

During the case study, I tried to observe and later interact with different kinds of sellers in the market, and learn about their market-related activities not only on-site on market days but also off-site, in homes, café's, offices. This allowed me to acquire insights into activities that are not apparent to a random market visitor, and gain deeper knowledge into the social networks of sellers at Feira da Ladra. Economic and social activities are hereby presented, with a compromise of comprehensiveness and concision in mind, to precedent later discussions of economic and social aspects involved in entrepreneurial activities at Feira da Ladra.

An important premarket activity for sellers is amassing inventory. For many sellers, this is an ongoing activity that involves visiting antiquarians, estate sales, garage sales and auction houses. Many sellers have started looking to more stable sources such as online auction sites like Ebay and Liveactioneers, and have their own online shops, although this is often kept as a trade secret among market sellers ("It is not as romantic to say you get the piece from Ebay, as to say you got it from an old lady's long-treasured collection). Handicraft sellers often source their own materials for their products.

Sourcing and amassing inventory is an example of how social networks play a central role in economic activity. Most sellers are also the most avid shoppers at the flea market (the legend of older men scouring the market at 4 in the morning with flashlights looking for treasure is an ongoing fact). Sellers trade among each other so that a piece can pass the hands of numerous

sellers before it reaches the final consumer. The economic motivation is clear for this network trading: usually sellers trust other sellers in their network to give a reasonable price.

“Reasonable” often means that the difference between final “market value” of the item and the original cost of procurement of one particular item is split so that all parties can enjoy profit.

While the seller who acquired the item can also choose to sell it to final consumer at a higher price, dealing with another seller is said to provide quicker cash turnover, as well as prospects for further good deals in trading. Social motivation comes into play with the concept of trust. In many deals, there are motives for a seller to “rip off” another seller, taking advantage of information asymmetry or superior financial standing, but the closely knitted social structure among sellers facilitate trust-based deals by socially punishing or rewarding honest acts. Word-of-mouth spreads fast in the market regarding a seller’s reputation of knowledge and integrity. Information and network sharing is also an important motivation for trading among sellers.

Through trading, sellers learn from each other knowledge about certain categories of merchandize, about the market demand and supply of those categories, as well as acquire a network of suppliers and consumers for those categories.

Sellers stressed that the important decisions were made in the long run, concerned one’s niche, and were “grown into” rather than decided. A seller of antiques, for example, acquires knowledge across categories such as jewelries, furniture, ceramics, toys, and gradually move among these categories during the span of the business. This is the reason why information sharing and network sharing is crucial, even if it means less money to be made now. In the short run, minor adjustments to items regularly stocked were merely too routine to merit discussion, in their minds.

The theme of competition vs. cooperation was particularly interesting to contemplate with flea market sellers' behavior. Intense competition can be observed not only through pricing practice but also through social sabotage, such as rumor mongering. Given the closely knit network of seller, these social competitive behaviors can wreak havoc on the attacked seller's reputation and his business's profitability. On the cooperation axis, unlike retailing atmosphere in venues like shopping malls, a lot of cooperation activity is conspicuous among sellers. This includes capital pooling (sharing the investment for the procurement of particular items and sharing profits accordingly), booth sharing (booth space is split between partners to lower rental cost for both), item exchange (exchanging products of different categories to stick to product niche) and network sharing.

Why do these entrepreneurs choose to grow their business at Feira da Ladra and not other formal retail venues? This is not an obvious question given the variety of products and the variety of seller profiles at the market. Interviews with various sellers and market regulators revealed that economic reasons perhaps are the most prominent to explain seller motivation to partake in the market. During the time of economic difficulty, many entrepreneurs turn to Feira da Ladra because the capital needed to start a business in the formal sector greatly surpasses the monthly booth rent in the flea market. For many sellers this is the only solution to make a living.

Interestingly, some other sellers, especially handicraft and antique sellers, also own a shop that belongs to the formal sector (with company registration and tax payment number), but chooses to have a stall at Feira da Ladra to gain exposure to certain types of "niche" customers that frequent the market, such as collectors. Social networking with other sellers and consumers is also a big reason for them to participate in the market ("We did not sell much today but fortunately we made a lot of good contacts"). Sellers of antiques and collectibles, for example, consider a

market day as an education day, as they believe through interacting with other sellers and collectors, and even through eavesdropping random conversations, they can build up knowledge and consumer base. Sellers of antiques and collectibles dream of acquiring a body of knowledge to prepare them for “the big find”, as legends of hidden treasures in the market abound. The exciting “treasure hunt” atmosphere of the market is thus prevalent and contagious even among sellers in the market.

Before market day, sellers are busy with logistics, which involves packing, setting up, and preparing the products for display. Many sellers are proficient in the craft of fixing and restoration, which allows them to add value to the used products they acquired by restoring them to a better state, subsequently enabling them to charge higher prices. Market day is reserved both for selling and social activity. Pitching and dickering are two common behaviours, although each seller decides the extent and manner they are carried out. Some sellers are enthusiastic in sharing the history behind an object, which they believe adds value to the objects themselves. One seller noted that these stories are what separate the flea market experience from the shopping malls, as they help customers to form a relationship with the objects they are buying. Some sellers are, on the other hand, motivated to encourage experienced customers to share the knowledge of the items, as they recognize the need for “showing off” and information sharing among these consumers too. Socializing is an obvious activity among sellers. Hardly is there any corner in the market where conversations are lacking. Some sellers even note that they come to the market exclusively for socializing purposes, as the money spent on lunch and beer might surpass revenue any day. It is these intertwined motives, from necessity to choice to a mixture of both, from economic to social, that contribute to the invigorating entrepreneurial atmosphere at Feira da Ladra, one that is very distinct from the more solemn encounters in shopping malls.

5.2. Marketplace Behavior: Consumers

Natural observation coupled with semi-structured interviews conducted with consumers on-site provided me with insights into the profiles, motivation and decision making process of consumers at Feira da Ladra.

5.2.1. Motivation

While some consumers cited price and good deals as a reason to participate in the market, it is certainly not the only reason. The festive atmosphere among consumers is palpable, with consumers of various ages, professions and cultural backgrounds. Some consumers contrasted the social atmosphere at Feira la Ladra with that of a shopping mall, where it is more organized but also more sterile. A lot of families consider market day as an outing, where the parents can teach children the ways of business, how to negotiate and bargain, as well as the history behind the objects and the flea market culture. Groups of friends come together with beer in their hands and marvel at interesting objects together. Among the cited motivations to visit the market are “good deals”, “treasure-hunting”, “surprises”, and “atmosphere”.

Whether they arrive intending to find specific items for personal use or for investment purposes, or simply to “sightsee” with no particular objective in mind, consumers are usually highly influenced by the experience-rich characteristics of the market ambience. To many, the seeking of such experience is often even more important than the mere acquisition of goods. Products at the flea market often carry symbolic meanings that go beyond their utilitarian purposes.

Consumers might spot objects that rise up nostalgic feelings of items they or their beloved previously owned “The human condition is inseparable from the things that surround us (Marcel 1935)”. Nostalgia, in fact, is cited as an important motivation for buying the objects. Some

consumers are attracted by the ideals of green movements, further fueled by their cynicism about materialism driven by capitalist economic engines, and are attracted to the philosophy behind recycling objects. Flea markets in fact have become a trendy place for these individuals to find unique and recycled items, which contribute to their self-concept and identity construction (Belk 1988; Cherrier and Murray 2007). Consumers are often observed with a look of amazement on their face, as they marvel at interesting-looking objects, evaluating their potential values and imagining a history behind them. Knowledgeable consumers enjoy going to the market to “show off” their knowledge, either with sellers or with other consumers, while other consumers enjoy standing in for the lecture. This kind of high involvement with the products sold, and with the venue they are sold in, while greatly sought after,

have presented great challenges for formal business venues.

5.2.2. Decision Making Processs and Other Market Behavior

It is helpful to group the consumers into light visitor of the market (less than once a month) and heavy visitors of the market (more than once a month), as they seem to differ greatly in their decision making process. This is understandable as the level of knowledge and involvement with the type of merchandize sold at the flea markets differ between experienced and inexperienced buyers. Although motivations to visit the market among consumers are diverse, market behavior can be patterned into 3 acts of searching, bargaining and socializing. As merchandize at the market is so diverse, some light visitors noted that it is impossible to plan a one's itinerary with or without a particular object in mind. Experienced visitors, however, are familiar with certain sellers who specialize in the products they are usually interested in. Most consumers, however, search for objects by simply walking the market and seeing if anything “catches the eyes”. Some heavy market visitors engage in thorough research of certain product categories before market

day, and spend the day navigating themselves towards these categories. Searching is almost intentionally made difficult at Feira da Ladra for its random market layout (at least in the eyes of an outsider), but consumers reported that this helped heighten the treasure-hunt excitement of the place. Bargaining is both an economic and social activity, which encompasses both the joy of economic gain and of social playfulness. Experience plays a role on how the negotiation unfolds. Often good deals are aborted because of the inexperienced buyer. A common mistake is a counteroffer so low that it insults the seller. A mother for example, tried to bargain down a toy soldier that costs 1 EUR to 25 cents, provoking the seller to reply “I would rather give it to someone else for free”. Again the social dynamics in economic transactions could be observed. Experienced consumers, such as collectors, often reveal fewer emotions while bargaining for a piece. They tend to use more rational and logical arguments to get the seller to reduce the price, by acknowledging good features of the piece, but also commenting on its faults. Frequent buyers sometimes trust the sellers enough to know that they are quoting a reasonable price for an item, but usually supported by previous experience of the seller or of the product. Socializing is an activity that merits a lot of discussion. It is an activity with which the flea market has perhaps surpassed most formal venues. Interactions between consumers-consumers and consumers-sellers take place with such intensity that it was quite challenging for me to take field notes fast enough for activity happening within any small area of the market.

6. Conclusion

I have above attempted to describe the intertwined economic and social activities that go on in Feira da Ladra. To disentangle this embeddedness is a crucial issue for consumer researchers to disentangle (Sherry, 1990). Several important lessons were drawn regarding the importance of

the flea market in both an economic and social sense, lessons that hopefully will prove useful for businesses in formal settings.

For entrepreneurs, the flexibility offered by informal venues of the market is greatly appreciated. The fact that the market harbors the livelihood of a large number of sellers, whether out of necessity or out of choice, has important social implications for policy makers all over the world. Moreover, the competitive and cooperative dynamics between sellers presented in this paper illustrates how a place that has been considered lacking in order can achieve economic efficiency, while leaving room for aspects of humanity. As presented in the findings, economic reasoning alone cannot fully account for certain competitive and cooperative behavior among economic actors, and even less so with their motivation to participate in the market. The behaviors observed, often diverse and intricate, might inspire future research into entrepreneurial and consumer activity in such informal venues that are translatable in formal venues, such as freedom vs. rules, modernity vs. tradition, or to continue to build on the competition vs. cooperation approach.

Complex social interactions play an important part of building the flea market culture, one that is important not only to the collective identity of sellers, but one that is also felt and appreciated by consumers. Formal business venues could also consider integrating the social implication of the flea market. The most notable finding in flea market consumer behavior is the high involvement of consumers in the products, the venues, and other economic actors in the market. This high level of involvement is greatly desired by formal business venues and lessons can be drawn. Products that resemble the flea market merchandize, the collectibles, for example, can foster emotional response of consumers to product. The chaotic and lively treasure-hunt atmosphere at

the flea market provides a sense of place for consumers, so that “just looking” becomes a legitimate and viable driver for profitability.

The research explores the mixture of rationality and festivity among economic actors that make up the “flea market culture”, a unique culture that has established its solid position in contemporary economy. With its diverse profiles of sellers and consumers with various social and economic motives, I believe that the flea market deserves its long standing success, with the potential to reinvigorate the current market system. Further research on this venue is thus warranted.

7. Limitations of Research

Similarities exist among literature that deals with the informal economy in different economic development contexts. However, there are also systematic differences that exist between characteristics of informal marketplaces like the flea market across cultural and economic contexts. This has implications as to the extent that my observations in Feira da Ladra can be generalized.

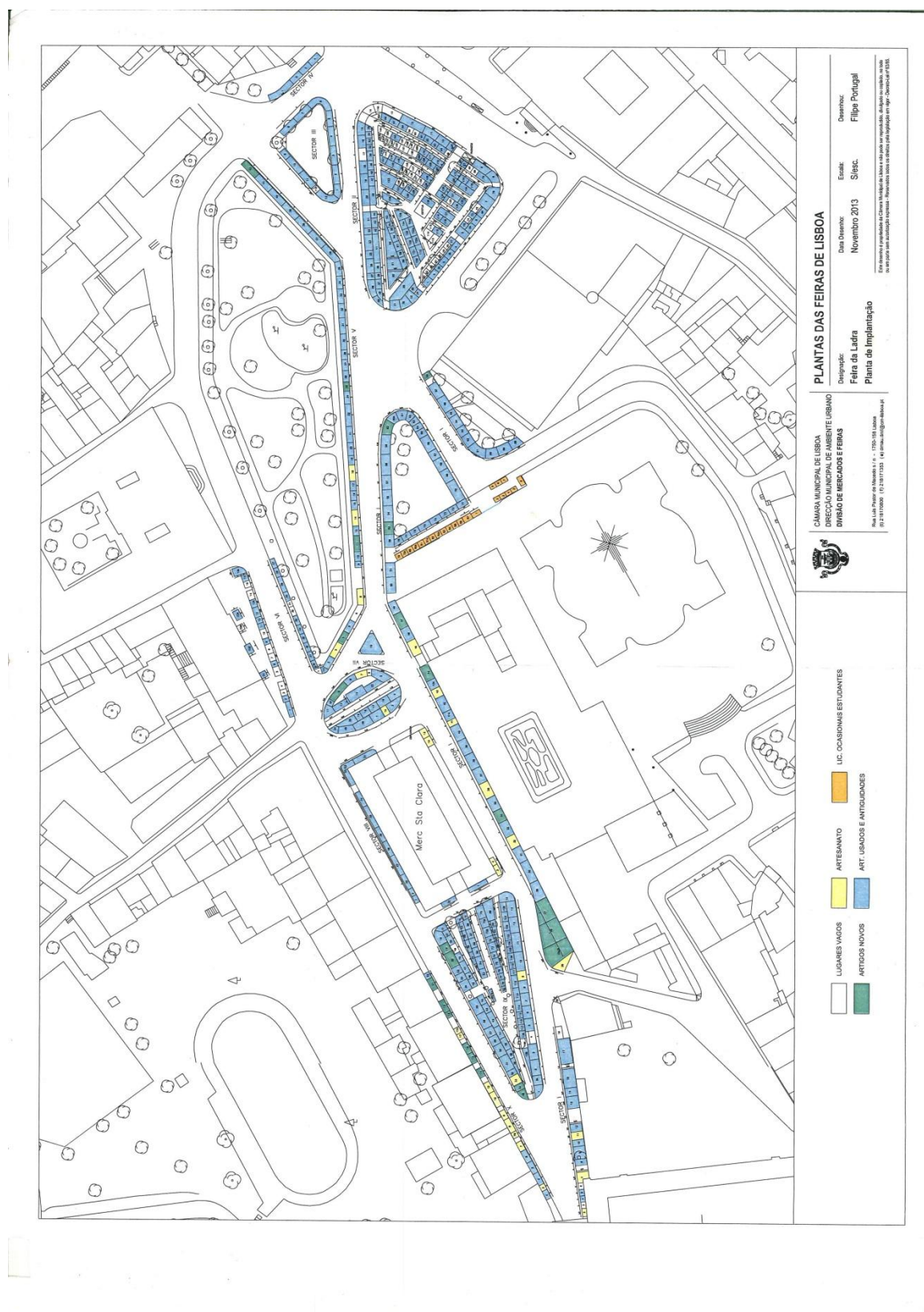
While the naturalistic method employed in this research allowed me to obtain a richer description of behavior and interaction between different individual actors and greater freedom from artificial and contrived behavioral tasks, and although I have strived to use established qualitative methods to achieve the equivalents of reliability and validity, the research certainly does not have the comfort offered by statistics of an empirical research. I, however, hope that the findings of research help add to the literature of flea market, and are useful for hypothesis generation with the themes discussed.

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1. APPENDIX 1: MUNICIPAL LAYOUT MAP OF FEIRA DA LADRA



APPENDIX 2: SEMI-STRUCTURED INTERVIEW FORMAT WITH SELLERS

- Can you tell me about yourself? Your occupation? Where you come from?
- How long have you been selling at the market?
- Why do you choose these particular items to sell?
- What brings you to sell at this flea market and not others?
- Can you describe a normal day of business?
- What types of activities are involved outside of market day?
- How would you describe your relationship with other sellers?
- How do sellers compete with each other?
- How do sellers cooperate with each other?

APPENDIX 3: SEMI-STRUCTURED INTERVIEW FORMAT WITH CONSUMERS

- Can you tell me about yourself? Your occupation? Where you come from?
- How often do you visit this market and other flea markets?
- How did you get here to the market? Mode of transport? What entry?
- How did you decide to go to the market? Did you make plans beforehand?
- Do you usually come alone or with someone?
- Why do you choose Feira da Ladra? Do you go to other markets?
- What do you think are the biggest appeals of the flea market?
- How much time do you spend at the market?
- How do you structure your walk?
- When you find an item you are interested in, what is your buying process?
- Do you bargain? How do you decide if the price quoted is not too steep?
- What kind of interactions do you expect at the market?
- What kind of interactions do you engage in at the market?
- Do you shop at shopping malls? What do you think is the biggest difference between a flea market and a mall? Which one do you prefer?

APPENDIX 5: SEMI-STRUCTURED INTERVIEW FORMAT WITH REGULATORS

- Can you tell me about yourself? Your occupation? Where you come from?
- How long have you worked as a market regulator?
- What does your job entail?
- How do you think the market is performing?
- What do you think contributes to this performance?
- What do you think is the significance of the flea market in the eyes of policy makers?
- Are there any restrictions in the type of merchandize at the market?

APPENDIX 6: SAMPLE FIELD NOTES

- 7 a.m. Gonçalo, a seller of collectible tin toys, strolls around the market hoping to find early bird deals. As he walks around looking at different stalls, he was greeted by a regular customer. They shook hand and shared a short casual chatter. Gonçalo told me that he knows a lot of his regulars personally, most of whom antique collectors. Often the customers come to him to share knowledge of their collections, which is both educational and useful for his business, as he can make stock decision based on knowledge of the customer's portfolio ("I know a guy who might be interested in this piece!").
- Group of 2 men and 2 women in their late 20's, dressed in punky black leather clothes, chose to spend their Saturday at the flea market, beer in hand. One of them stopped in inspect some antique lead soldiers and told the others to gather round. They politely asked the seller if they could take photos of the piece. After taking numerous photos, they asked the price for the soldiers. The seller quoted 1 EUR for each soldier. They ended up buying 6 of them, for which the seller quoted 5 EUR. They asked for a bag and
- Sellers can always tell if someone is an experienced consumer because they are always eager to share knowledge about the product. Consumers who are experienced also ask different questions about the items compared to an inexperienced ones. They usually ask more specific questions that in turn can show off that they are familiar with the products.
- Two Chinese female sellers appeared one day, it was their first time selling at the market. They turn out to be exchange students at a business university in Lisbon. They found out about the market from the internet and decided that they wanted to sell some of their belongings and craft for extra income. They sell various Chinese handicraft, clothings, and some handmade postcards. They revealed that they visited and sold at flea markets, usually unregistered, in most countries they travel to. The reason is not only for the extra money, but also it is a good way to meet local people and to see what the "real people are up to".